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# Jagson Airlines to fly as regional carrier in three months

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Jagson Airlines will start operations as a scheduled regional carrier in about three months. The airline is also planning to offload a part of its stake to private equity players by May this year.

The company recently got a no-objection certificate (NOC) from the government to fly as a re-



gional carrier from Delhi. The parent company, Jagson International, an oil exploration major, holds majority stake in the airline.

The airline currently has a fleet of five aircraft and will be acquiring six to eight, 50-seater Bombardier or ATR aircraft by the end of 2008. "Of the eight aircraft that we will be acquiring, two will be on lease and purchase options," Jagson Airlines chairman Jagdish P Gupta told ET. Two aircraft are likely to be delivered within three months.

The company raised Rs 20 crore through the allotment of preferential shares last year in November, which it is currently using for lease deposits of aircraft, creating infrastructure and hiring manpower for the soon-to-be-launched regional carrier. Talking about the positioning of the regional carrier, Mr Gupta says: "The regional carrier will be positioned as a 'value carrier' (in-between low cost and full service) flying to non-metro cities in UP, MP and Chhatisgarh." The airline has landing rights at 40 airports.

The turnover projected for the current fiscal is Rs 30 crore. It incurred losses worth Rs 5 crore last year. IndusView advisor associate director Anuj Chowdhry says: "The company has not registered profits in recent quarters because of investments made in the infrastructure development in the cities like Gorakhpur, Bhopal, Raipur, Khajuraho, where it will be flying to when it starts operations as a regional carrier."

Talking about the airfare that the proposed airline will be offering to consumers, Mr Gupta said it will depend on the seasonal demand, especially of the leisure destinations that it will be flying to. Though the surcharge and taxes will stand same as for domestic carriers. "The airfares that we will offer will be not very low, but sustainable fares. We will also carry light cargo," Mr Gupta added.

Another carrier which has got NOC to fly as a regional airline is MDLR, which will also be flying in the northern region competing with Jagson airlines.

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